

BUDGET, FINANCE & INVESTMENT COMMITTEE

June 24, 2009

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Bill Boner
Comm. Anthony Johnson
Lisa Nolen
Lois Miller
Jay Brown
Regina Nelson

Others Present:

Robert Asbury
Philip Martin
Curtis Little
Bill Cope
Alan Miller
Andre Fresco
Mike Nunley

Others Present:

Jeff Sandvig
Sonya Stephenson
Scott Broden
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the June 15, 2009 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Peay to approve the minutes as presented. The motion passed unanimously by acclamation.

RECOMMENDATION TO AWARD CARRIER FOR VOLUNTARY INSURANCE PRODUCTS TO BENESYNC EFFECTIVE JANUARY 1, 2010:

Mrs. Lois Miller, Insurance Director advised that the carrier for voluntary insurance services had been bid. The current carrier was US Able. Twelve bids were received. Five bids were reviewed, with the finalist committee selecting two being Benesync and US Able.

Mrs. Miller reviewed some of the RFP responses by both carriers advising that Benesync offered guaranteed-issue coverage to employees. She also advised that Benesync worked with several different carriers; however, with US Able this was not applicable, because they were the carrier. Customer service would be handled by Benesync, who would act as the employee's advocate with the carrier. Benesync was a local company from Franklin, and they also had a satellite office in Murfreesboro. She advised that both carriers offered the same products either by themselves or in a combination.

Mrs. Miller advised that there was no cost to the county for this service as these were voluntary products and fully paid by employees. She advised that both carriers offered a 21% decrease in cost for the short-term disability program. Benesync ranked higher in all of the categories, except the financial category, because US Able's voluntary prices were known but Benesync's voluntary prices were not known.

After the presentations, the Insurance Committee voted unanimously to offer the voluntary service to Benesync effective January 1, 2010 and forward the same to the Budget Committee.

Following review, Comm. Peay moved, seconded by Comm. Jordan to accept the recommendation of the Insurance Committee and award the carrier of the voluntary insurance services to Benesync effective January 1, 2010.

Mrs. Miller advised that the carrier for the voluntary insurance services would be a three-year contract with the option to renew for two more.

Following review, the motion to accept the recommendation of the Insurance Committee and award the carrier of the voluntary insurance services to Benesync effective January 1, 2010 passed unanimously by roll call vote.

2008-2009 GENERAL FUND BUDGET AMENDMENTS

INSURANCE DEPARTMENT:

Mrs. Miller advised that when the contract was awarded for the medical services to CIGNA, part of their proposal was to include \$10,000 for wellness activities. She explained that she was not aware that the money would expire at the end of the Fiscal Year. She became aware of it when she called CIGNA to find out if the county would receive the same amount of money next year, and was told that the county would receive the same amount, but that this year's money was expiring. She stated that they were rushing to spend the money on wellness before June 30, and the money would be spent primarily on the Employee Appreciation Day. She advised that the funds would be spent through her budget, and then she would be reimbursed by CIGNA. Mrs. Miller requested approval of the following budget transfer to purchase health related items for the Employee Appreciation Day:

From:	101-51920-348 - Postal Charges -	\$3,000
	101-51920-719 - Office Equipment -	550
To:	101-51920-599 - Other Charges -	\$3,550

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Insurance Department as requested to provide funding to purchase health related items for the Employee Appreciation Day. The motion passed unanimously by roll call vote.

PLANNING DEPARTMENT:

The Finance Director requested approval of the following budget transfer for the Planning Department to provide adequate funding for the Assistants Account to complete the Fiscal Year to pay the accumulated leave for an employee who resigned:

From:	101-51720-191 - Board/Committee Members Fees -	\$3,553
To:	101-51720-103 - Assistants -	\$3,150
	101-51720-204 - State Retirement -	403

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget transfer for the Planning Department as requested to pay the accumulated leave for an employee who resigned. The motion passed unanimously by roll call vote.

BOARD OF EQUALIZATION:

Mr. Bill Boner, Property Assessor, was present to request approval of the following budget transfer to provide funding for an additional meeting of the Board of Equalization:

From:	101-51210-308 - Consultants -	\$545
To:	101-51210-191 - Board & Committee Members Fees -	\$500
	101-51210-201 - Social Security -	35
	101-51210-212 - Employer Medicare -	10

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Board of Equalization as requested. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT & JAIL:

Sheriff Truman Jones and Chief Regina Nelson were present to request approval of the following budget amendments and transfers to cover estimated prisoner transports, to cover the fourth quarter software NCIC for Dispatch, to transfer funds for estimated communications expenses, and to provide additional funding for the Sheriff's Department Employee Insurance to complete the Fiscal Year based on the actual employees who participate in the health insurance plan:

From: 101-54110-336 - Sheriff's Depart./Maint./Repair Equipment -	\$2,000
To: 101-54210-354 - Jail/Transportation Other Than Students -	\$2,000
From: 101-54110-709 - Sheriff's Dept./Data Processing Equipment -	\$1,000
To: 101-54110-317 - Sheriff's Dept./Data Processing Services -	\$1,000
From: 101-54110-336 - Sheriff's Dept./Maint./Repair Equipment -	\$4,000
To: 101-54110-307 - Sheriff's Dept./Communications -	\$4,000
From: 101-54210-205 - Jail/Employee & Dependent Insurance -	\$2,000
To: 101-54110-205 - Sheriff's Dept./Employee Insurance -	\$2,000

Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendments and transfers for the Sheriff's Department and Jail as requested. The motion passed unanimously by roll call vote.

REQUEST AUTHORIZATION APPROVING APPLYING FOR 2009 JUSTICE ASSISTANCE GRANT (JAG) WITH THE CITY OF MURFREESBORO:

Lt. Philip Martin advised that the Sheriff's Department had been notified that the 2009 Justice Assistance Grant (J.A.G.) was available for application. The amount of the grant was \$46,721.47, which required no local matching funds. The grant would be a multi-agency grant with Rutherford County, the City of Murfreesboro, City of La Vergne, and Town of Smyrna sharing in the grant funds. Major Hiram Lester, Murfreesboro Police Department would be applying for the grant on behalf of all of the agencies and administering the grant.

Lt. Martin advised that the grant funds would be used to install a video conferencing system on the Fourth Floor of the Judicial Building to aid in judicial proceedings. The intent would be to conduct video conferencing from the jail, which would therefore reduce congestion in the Judicial Building, as well as gasoline cost for the Sheriff's Department. The project would include the purchase of two mobile units at the Rutherford County Sheriff's Department, three fixed judicial units, and evidence presentation system for Judge Bragg.

Following review, Comm. Peay moved, seconded by Comm. Shafer to approve a Resolution and forward the same to the County Commission authorizing the County Mayor and other appropriate officials of Rutherford County to enter into an Interlocal Agreement with the City of Murfreesboro for the 2009 Justice Assistance Grant application with Rutherford County's portion being \$46,721.47 and requiring no matching funds. The motion passed unanimously by roll call vote.

APPROVE GRANT CONTRACT WITH STATE OF TENNESSEE, OFFICE OF CRIMINAL JUSTICE PROGRAMS FOR THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 BYRNE JUSTICE ASSISTANCE GRANT:

Lt. Martin requested approval and acceptance of a Grant Contract with the State of Tennessee, Office of Criminal Justice Programs for the American Recovery and Reinvestment Act of 2009 Byrne Justice Assistance Grant in the amount of \$207,436.00 for the period commencing on July 1, 2009 and ending on June 30, 2011, which required no matching funds.

Lt. Martin advised that Rutherford County was selected for the Directive Funding Initiative, which selected programs in the state that seemed to be leaders in certain areas. The Adult Detention Facility was selected in conjunction with the Correctional Work Center to hire two Program Facilitators who will improve educational, vocational, familial and coping skills of offenders and participants in an inmate re-entry program.

The grant funds will cover the salary costs and limited benefits and training to the Program Facilitators.

Lt. Martin advised that when the individuals were hired, they would be hired with the understanding that the continuation of the positions would be contingent upon continued funding of the grant into the second year. At the end of the second year, the county would be under no obligation to continue to retain the individuals.

Following review, Comm. Jernigan moved, seconded by Comm. Peay to approve a Resolution authorizing the County Mayor and other appropriate officials to execute the Grant Contract with the State of Tennessee, Office of Criminal Justice Programs for the American Recovery and Reinvestment Act 2009 Byrne Justice Assistance Grant in the amount of \$207,436.00 for two years and requiring no matching funds. The motion passed unanimously by roll call vote.

Finance Director Lisa Nolen advised that the revenue and expenditures for the grant were not included in the 2009-10 budget. She explained that she had spoken with Major Gammon, and the budget would be amended in August to cover the funding for the grant. She also advised that the amendment would not be in the Sheriff's budget, because the grant was part of the ARRA stimulus money, which would require that the accounting be in a separate budget.

CORRECTIONAL WORK CENTER:

Mr. Alan Miller, Correctional Work Center Superintendent was present to request approval of the following budget transfers to provide funding to pay the accumulated annual leave for an employee who has resigned and to provide adequate funding for the contract for food, laundry, and medical services to complete the Fiscal Year:

From: 101-54220-109 - Captain -	\$3,500
To: 101-54220-110 - Lieutenant -	\$3,500
From: 101-54220-169 - Part Time Personnel -	\$6,000
101-54220-204 - State Retirement -	6,000
To: 101-54220-399 - Other Contracted Services -	\$12,000

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfers for the Correctional Work Center to provide additional funding for the Lieutenant's Account to pay the accumulated leave, and to provide additional funding for the Contracted Services Account to pay for the food, laundry, and medical services. The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Mr. Andre Fresco, Health Department Director, requested approval of the following budget transfer to provide additional funding for the Utilities Account to complete the Fiscal Year:

From: 101-55110-335 - Maint./Repair Buildings -	\$3,000
101-55110-499 - Other Supplies/Materials -	3,000
101-55110-708 - Communications Equipment -	1,000
To: 101-55110-452 - Utilities -	\$7,000

Comm. Peay moved, seconded by Comm. Bullen to approve the budget transfer for the Health Department as requested to provide additional funding for the Utilities Account. The motion passed unanimously by roll call vote.

AMBULANCE SERVICE:

Mr. Mike Nunley, Ambulance Service Director, requested approval of the following budget transfers to provide additional funding in the amount of \$160,200 for the Paraprofessional's Account and the related benefits. Mr. Nunley explained that he believed the Paraprofessional Account would be overdrawn by approximately \$139,000, and another employee who was taking a medical retirement had accumulated leave of approximately \$15,000 resulting in a total shortfall of \$160,200:

From:	101-55130-322 - Evaluation and Testing -	\$15,000
	101-55130-355 - Travel -	8,000
	101-55130-413 - Drugs/Medical Supplies -	59,000
	101-55130-451 - Uniforms -	37,000
	101-55130-599 - Other Charges -	54,674
	101-55130-105 - Supervisor/Director -	15,000
	101-55130-119 - Accountants/Bookkeepers -	1,000
To:	101-55130-133 - Paraprofessionals -	\$160,200
	101-55130-201 - Social Security -	8,940
	101-55130-204 - State Retirement -	18,443
	101-55130-212 - Employer Medicare -	2,091

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfers for the Ambulance Service as requested to provide adequate funding for the Paraprofessionals' Account and the related benefits to complete the Fiscal Year.

SANITATION & WASTE REMOVAL:

The Finance Director requested approval of the following budget amendment for the Sanitation & Waste Removal budget to provide additional funding for Griffin Industries. She advised that Griffin Industries had changed the way they were billing for their services, which was monthly instead of yearly, and that they were also billing one month ahead. Payment for July, 2009 services were due in June, 2009. The amendment provided funding for one month on the contract:

From:	101-39000 - Undesignated Fund Balance -	\$2,500
To:	101-55710-312 - Contracts w/Private Agencies -	\$2,500

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment for the Sanitation & Waste Removal budget to provide additional funding to pay the monthly contract for Griffin Industries. The motion passed unanimously by roll call vote.

EMPLOYEE BENEFITS:

The Finance Director requested approval of the following budget amendment for the Employee Benefits budget to provide adequate funding for the retiree's matching on health insurance:

From:	101-39000 - Undesignated Fund Balance -	\$2,500
To:	101-58600-299 - Other Fringe Benefits -	\$2,500

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment to provide additional funding for the retiree's matching on health insurance as requested. The motion passed unanimously by roll call vote.

2008-2009 SOLID WASTE/SANITATION FUND BUDGET AMENDMENTS

LANDFILL OPERATIONS & MAINTENANCE:

The Finance Director requested approval of the following budget transfer for the Landfill Operations & Maintenance to provide adequate funding for the Mechanic's Account due to an anticipated shortfall:

From:	116-55754-169 - Part Time Personnel -	\$200
To:	116-55754-142 - Mechanic -	\$200

The Finance Director also requested approval of the following budget amendment to adjust the estimated revenue for tipping fees for the remainder of the Fiscal Year, and to appropriate the additional revenue to Contracts with Government Agencies to pay the City of Murfreesboro for equipment provided during the tornado cleanup, and to increase the Trustee's Commission due to the additional revenue, with the remaining revenue increasing the fund balance:

Increase Revenue:	116-43110 - Tipping Fees -	\$155,000
Increase Expend.:	116-55754-309 - Contracts w/Government Agencies -	\$64,000
	116-58900-510 - Trustee's Commission -	1,500
Increase Undesignated Fund Balance:	116-39000 -	\$ 89,500

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfers and amendments for the Landfill Operations & Maintenance Department to provide additional funding for the Mechanic's Account, and to recognize additional revenue from Tipping Fees, to appropriate the additional revenue to Contracts with Government Agencies and the Trustee's Commission with the remaining revenue increasing the Undesignated Fund Balance. The motion passed unanimously by roll call vote.

2008-2009 GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of the following 2008-09 General Purpose School Fund Budget Amendment to provide an additional \$2.3 million for utilities from the General Purpose School Fund Undesignated Fund Balance with \$2.2 million for electricity, \$300,000 for water and sewer, and to reduce the natural gas budget by \$200,000:

From:	141-39000 - Undesignated Fund Balance -	\$2,300,000
	141-72610-434 -Natural Gas -	200,000
To:	141-72610-415 - Electricity -	\$2,200,000
	141-72610-454 - Water & Sewer -	300,000

Mr. Sandvig requested approval to reallocate \$54,049 in employee medical insurance to the categories where the actual insurance expense occurred.

Mr. Sandvig requested approval of a budget amendment to adjust the 2008-09 budgeted revenues. The revenue accounts that were amended were local revenue except for a \$428,332 reduction in state BEP funds, which was due to slower growth than budgeted. That reduction was offset with an additional \$289,231 in Microsoft General Purpose Settlement revenue from the state. Mr. Sandvig requested to decrease budgeted revenue by \$1,617,508 and to increase other revenue accounts by \$1,617,508.

Mr. Sandvig next requested to reallocate \$62,400 in already budgeted classified pay and the related \$12,755 in benefits to the budget lines where it may be needed in June. He requested approval to amend a total of \$75,155 in classified employee pay and benefits.

Mr. Sandvig next requested approval of an amendment to reallocate \$60,312 in already budgeted vocational expenditures to cover the additional substitute teacher with funds that were already in the budget for other vocational expenditures.

Mr. Sandvig requested approval of an amendment to reallocate \$176,193 in already budgeted substitute teacher pay based on where the substitutes were actually used.

Mr. Sandvig next requested approval of an amendment to reallocate already budgeted expenditures in order to cover the certified salaries for 2008/09. The amendment covered a net increase of \$599,051 in certified pay and \$91,873 in the related benefits. \$134,313 of the funding was from budgeted but unused pay for substitutes, \$153,000 was from budgeted but unused classified pay that was available because of turnover, and \$464,900 was from Special Education non-labor items. The amendment totaled \$1,423,344.

Mr. Sandvig requested approval of an amendment to reallocate \$207,440 in already budgeted expenditures for employee and retiree benefits in order to cover the projected benefit expenditures for 2008-09. The largest shift was an additional \$87,000 for retirees' medical insurance. The reallocations for Social Security and Medicare taxes were due to the system's use of employee flexible spending accounts and employee use of pre-tax funds to pay their health insurance.

Mr. Sandvig next requested approval of a year-end amendment totaling \$450,697 within functions. The increases in each major function offset the decreases in the function. No new funds were involved.

Mr. Sandvig requested approval of an amendment to reallocate \$183,400 to Plant Operations for additional custodial supplies and electricity. The funding was from available funds in the School Maintenance function.

Mr. Sandvig requested approval of an amendment for Fund 177, Education Capital Projects, revising the estimated revenue with a net increase of \$14,881, an additional \$1,500 for Trustee's Commission, and reallocated a total of \$105,364 in expenditures for the John Colemon renovation project to the appropriate budget line items.

Following review, Comm. Bullen moved, seconded by Comm. Shafer to approve the amendments as follow: 1) amend \$2,300,000 from the General Purpose School Fund Balance in order to fund \$2,200,000 in electricity, \$300,000 in water and sewer, and to reduce the natural gas budget by \$200,000; 2) amend \$54,049 in employee medical insurance; 3) amend the 2008-09 GPS budgeted revenues by decreasing some revenue line items by \$1,617,508 and increasing other revenue line items by \$1,617,508; 4) amend \$75,155 in classified employee pay and benefits; 5) amend \$60,312 in vocational expenditures; 6) amend \$176,193 in substitute teacher expenditures; 7) amend a total of \$1,423,344 in certified pay and benefits with funding coming from other line items for certified pay and benefits, classified pay and benefits, substitute teacher pay, and special education items; 8) amend a total of \$207,440 in employee benefits; 9) amend a total of \$450,697 in already budgeted expenditures within major functions; 10) to amend \$183,400 to Plant Operations for additional custodial supplies and electricity with the funding coming from School Maintenance; 11) to amend the revenue in the Education Capital Projects Fund, Fund 177, by a total of \$14,881, amend an additional \$1,500 in Trustee's Commission, and to amend \$105,364 already budgeted renovation expenditures for the John Colemon renovation project. The motion passed unanimously by roll call vote.

2009-10 BUDGET REVIEW

Chairman Ealy advised that the School Board had submitted their 2009-10 budget agreeing with the Budget Committee's recommendation totaling \$242,757,755. A listing was provided of the various accounts and which line items had been changed in order to comply with the Budget Committee's recommendation.

A letter of transmittal to the County Commission was provided reflecting the 2009-10 budget totaling \$390,464,507 for all funds with an estimated property tax rate of \$2.735 being required to finance the budget.

RESOLUTION FIXING THE TAX LEVY FOR THE FISCAL YEAR BEGINNING JULY 1, 2009:

Chairman Ealy presented the Resolution fixing the property tax levy for Rutherford County, Tennessee for the Fiscal Year beginning July 1, 2009 as follows:

County General -	\$.5725
Ambulance Service -	.0975
Highway Fund -	.0100
General Purpose School Fund -	1.2650
Education Capital Projects Fund -	.0500
Debt Service Fund -	<u>.7400</u>
Total	\$ 2.7350

Sections 2, 3, 4 and 5 established how the revenue would be distributed among the funds for Business Tax, Sales Tax, Wheel Tax, and Interest Income.

Comm. Bullen moved, seconded by Comm. Peay to approve the Resolution and forward the same to the County Commission fixing the property tax levy for the Fiscal Year beginning July 1, 2009 at \$2.735 per \$100 of taxable property.

Comm. Shafer stated he did not like everything in the budget, and there were some things he would like to see in the budget that were not there. He stated that the Budget Committee had put a lot of hard work into the budget, and it was a budget he could live with.

Comm. Jordan stated he did not like to vote for a property tax increase, but last year when the rest of the available fund balance was used up, the committee knew that more than likely a property tax increase would be needed.

Comm. Shafer stated that the budget reflected a reduction in workforce for the county, and the budgets for every fund except the General Purpose School Fund were less than the prior year.

Following discussion the motion approving the Resolution and forwarding the same to the County Commission fixing the property tax levy for the Fiscal Year beginning July 1, 2009 at \$2.735 per \$100 of taxable property passed by roll call vote with Comm. Sandlin voting "no".

2009-10 APPROPRIATION RESOLUTION:

Chairman Ealy presented the Resolution for approval making appropriations for the various funds, departments, institutions, offices and agencies of Rutherford County, Tennessee for the Fiscal Year beginning July 1, 2009 and ending June 30, 2010 as follows: General Fund - \$65,180,901; Rutherford County Industrial/Economic Development Fund - \$219,944; Solid Waste/Sanitation Fund - \$3,257,440; Ambulance Service Fund - \$9,890,087; Development Tax Fund - \$1,200,500; Drug Control Fund - \$854,133; Highway Fund - \$9,356,150; General Purpose School Fund - \$242,757,755; Central Cafeteria Fund - \$14,124,300; Education Capital Projects Fund - \$2,234,204; and General Debt Service Fund - \$41,389,093.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the Resolution and forward the same to the County Commission making appropriations for the various funds, departments, institutions, offices and agencies of Rutherford County, Tennessee for the Fiscal Year beginning July 1, 2009 and ending June 30, 2010. The motion passed by roll call vote with Comm. Sandlin voting "no".

OTHER BUSINESS

HIGHWAY FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following budget amendment for the Highway Fund to cover disposal of limbs and brush caused by the April 10 tornadoes:

From: 131-68000-714 - Capital Outlay/Highway Equipment -	\$23,250
To: 131-62000-399 - Bridge/Highway Maintenance - Other	
Contracted Services -	\$23,250

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment for the Highway Fund as requested to cover the cost for disposal of limbs and brush caused by the April 10 tornadoes. The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time. Chairman Ealy declared the meeting adjourned at 6:36 P.M.

Elaine Short, Secretary